

SOLOMON ISLANDS

2020

TOBACCO  
INDUSTRY  
INTERFERENCE  
INDEX

## Background and Introduction

Solomon Islands, with a population of about 650,000 people, has one of the highest smoking prevalence in world, particularly among youths. <sup>1</sup>More than 810 children (10-14 years old) and 67,620 adults (15+ years old) continue to use tobacco each day.<sup>2</sup>- Solomon Islands has been a Party to the WHO Framework Convention on Tobacco Control (FCTC) since 2004.

According to Dr. Geoffrey Kenilorea, non-communicable diseases director and tobacco control focal person within the Ministry of Health and Medical Services (MHMS), appropriate response to implement WHO FCTC Article 5.3 has not been developed as planned because of lack of commitment and political will to champion this forward. The MHMS implements the Tobacco Control Act and also governs the issuance of licenses for both tobacco importers and manufacturers.

Despite their commitment to implement WHO FCTC, most government officials and parliamentarians are not aware of many of its provisions for tobacco control. This point was duly noted during several tobacco control advocacy and awareness activities lead by the MHMS' Tobacco Control Technical Advisory Group (TCTAG) in cooperation with the executive government caucus and cabinet members within the Office of the Prime Minister in 2018 and 2019. TCTAG is designed to sensitize and develop consciousness raising on both the Tobacco Control Act 2010 and WHO FCTC Article 5.3.

Part 2 and Section 4 of Tobacco Control Act 2010 sets out strong provision to ban any form of tobacco advertisement. However, even with these good provisions, the tobacco industry continues to use corporate social responsibility (CSR) activities and philanthropy tools as lobby strategies to leverage its deceptive tactics.

The MHMS is currently working on a comprehensive drafting instruction to overhaul the current Act, which will be submitted to the Attorney General Chamber, Executive Caucus, Cabinet, and the Parliament in 2020. Amendments to Tobacco Control Act of 2010 seek to strengthen Part 2 of the Act, which will institute a comprehensive, effective ban on all forms of tobacco advertising, sponsorship or promotion. This will expand the ban on tobacco advertising, promotion and sponsorship to cover all forms of advertising or promotion through any direct or indirect means which include CSR activities.

Currently, there are three main tobacco companies in Solomon Islands, namely: (1) Solomon Islands Tobacco Company Ltd (SITC), a subsidiary of British American Tobacco (BAT); (2) Solomon Sun Cigarette Company, a co-shared company owned by a Chinese naturalized citizen and former member of the parliament; and (3) Oceanic Oasis, a Chinese-owned cigarette importing company. Altogether, they control 98 percent of the cigarette market in the country. The most popular imported brand is BAT's *Pall Mall*.

Solomon Islands has not banned smoking in universities, government facilities, indoor offices, restaurants, pubs, and bars.<sup>3</sup> It does not have a concrete plan on allowing or disallowing sale of electronic cigarettes in the country.

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<sup>1</sup> RNZ (June 6 2017). <https://www.rnz.co.nz/international/pacific-news/332370/health-fears-over-third-tobacco-firm-setting-up-in-solomon-islands>

<sup>2</sup> Tobacco Atlas. <https://tobaccoatlas.org/country/solomon-islands/>

<sup>3</sup> Current Policy in the Solomon Islands from <https://tobaccoatlas.org/country/solomon-islands/>

## Summary Findings

### 1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

As it stands, Solomon Islands has not maintained direct involvement or participation from the tobacco industry to policy development or implementation. In spite of this, the tobacco industry seems to have a strong foothold in policymaking through its constant lobbying with the government.

In 2018, the Ministry of Finance and Treasury (MFT) increased exercise tax to 100 percent which resulted in the tobacco industry making a submission to the Honorable Minister responsible. In their submission, they stated that the increase would impact their overall volume sale. Unfortunately copy of the submission cannot be made available to the public. As a result of the exercise, price per packet of cigarette has been increased to five dollars (SBD) per packet, which is still quite low compared to other countries in the Oceania Region.

Prior to the legislation of the current Tobacco Act of 2010, the industry went ahead to seal a deal with the MFT and Ministry of Commerce, Industry, Labour and Immigration (MCILI) from the period from 2005 to 2015 to make sure that the tax cap would not go beyond 2.5 percent.

### 2. INDUSTRY CSR ACTIVITIES

Interesting to note that SITC-BAT is advancing its influence and leverage by sponsoring and aiding politicians in their constituency projects. MFT Director Reform confirmed that in 2019, they sponsored 100,000 SBD towards farmers' tool and seedlings to North East Guadalcanal constituency and another 100,000 SBD towards water supply project in the Auki Langalanga constituency. There is an urgent need to denormalize and regulate activities described by the industry as socially responsible.

### 3. BENEFITS TO THE INDUSTRY

The tobacco industry has free access to any government line ministries especially the ones that are of interest and value to them, such as MFT, Customs Department, and Ministry of Commerce, Industry, Labour and Immigration (MCILI). Until the current Tobacco Control Act undergoes review to address this, it will remain a challenge and problem for some time to come. The former minister of MCILI used his influence and position as government minister to pressure the former Permanent Secretary of the MHMS to issue Oceanic Oasis an operating license and permit.

The weak enforcement of the Tobacco Control Act stems from the lack of financial backing, commitment, political will and prioritization, among other issues and challenges the Ministry of Health and Medical Services (MHMS) has to address. It has left the tobacco industry much room to continue to take advantage. However, the MHMS also governs the issuance of licenses for both tobacco importers and manufacturers and in 2018 denied a manufacturing license to Oceanic Oasis for issues of illegal production and sale of tobacco products.

### 4. UNNECESSARY INTERACTION

A lot of government high-ranking officers, politicians, Ministers of the Crown of respective government line ministry have not been fully aware of WHO FCTC and Article 5.3. This had

allowed the tobacco industry direct access to senior officials. On a positive note, the new and current Honorable Minister of MHMS began to cut all connection made with the industry after he was briefed on Article 5.3.

## **5. TRANSPARENCY**

It is clear that all those working within all branches of government do not hold the tobacco industry accountable. Records of meetings and interaction of government officials with the tobacco industry are not accessible to the public. There is a need for clear policies and guidelines on avoidance of conflict of interest for government officials, employees and consultants.

## **6. CONFLICT OF INTEREST**

Solomon Islands Political Party Integrity Bill of 2014, Section 57 made provision for disclosure of campaign funds post-election, but it does not cover nor prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns and to seek full disclosure of such contributions from them during or prior to election. Nearly all government ministers and parliamentarians have had projects funded by the tobacco industry.

## **7. PREVENTIVE MEASURES**

The current Tobacco Control Act does not have any provision to do with industry interference. In the current undertaking championed by the MHMS, a comprehensive drafting instruction is underway to review the Act, under Area 14 – Industry interference, the MHMS realized that the tobacco industry uses economic power, marketing and lobbying to discredit research and influence decision-makers to propagate the sale and distribution of tobacco products. The current review will make provision for inclusion of WHO FCTC Article 5.3 principle guidelines to be part of the structural formation of the Tobacco Control Act.

## **Recommendations**

1. Raise awareness of WHO FCTC and specifically Article 5.3 within the whole of government.
2. Establish a government taskforce, to oversee implementation of Article 5.3, under the MHMS. There is a need to do an appraisal of the country's compliance with Article 5.3. The findings of this report provide useful information.
3. Draft guidelines and steps to prevent interference by the tobacco industry in public health policies relating to tobacco control.
4. Incorporate Article 5.3 into the International Public Service Administration (IPAM) where all public servants undergo training.
5. Establish an overarching national standard guideline procedure or code of conduct to uphold the rule of transparency when government officials interact with the industry. This must include records of all interactions, standards of conduct for dealing with the industry.
6. Prohibit and regulate tobacco industry contributions to politicians.
7. Prohibit all related CSR donation, sponsorship and funding assistance.
8. Protect tobacco control policies from the commercial and other vested interests of the tobacco industry.

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Solomon's overall total score is 49

## Results and Findings

|   | 0 | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| <b>INDICATOR 1: Level of Industry Participation in Policy-Development</b>   |   |   |   |   |   |   |
| 1. The government <sup>4</sup> accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry <sup>5</sup> in setting or implementing public health policies in relation to tobacco control <sup>6</sup> (Rec 3.1)   | 0 |   |   |   |   |   |
| There is no incident found and cited in 2018 -2019.   |   |   |   |   |   |   |
| 2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)  |   |   |   | 3 |   |   |
| <p>There is no publicly available evidence of such interaction or undertaking in recent times. However, there is evidence that tobacco industry representatives have been conducting frequent visits and meetings with the following government line ministry: MHMS, Ministry of Finance and Treasury (MFT), Customs Department, Ministry of Commerce, Industry, Labor and Immigration (MCILI).</p> <p>In 2010, prior to the legislation of the Tobacco Control Act, the industry made a submission which the MHMS termed as the “thin bill”. When submission was made through the Executive of the MHMS, caucus and cabinet it was unanimously rejected.</p> <p>In 2015, when the MHMS was planning to introduce the Pictorial Health Warning (PHW), there was another submission made by the industry. This time around it did not go further to the Executive caucus and cabinet, because it was ultimately rejected by TCTAG established under the MHMS to filter all tobacco control related issue before ascending to the MHMS Executive.</p> |   |   |   |   |   |   |
| 3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)   | 0 |   |   |   |   |   |
| The tobacco industry does not have a seat in any committee that sets public health policy in the country. There was a push by the industry prior to the commencement of the Tobacco Control Act 2010, but it was outrightly rejected.   |   |   |   |   |   |   |
| 4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the  |   | 1 |   |   |   |   |

<sup>4</sup> The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

<sup>5</sup> The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>6</sup> “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

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| COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) <sup>7</sup> (Rec 4.9 & 8.3)  |   |   |  |   |   |   |
| The government does not allow or include representatives from the tobacco industry in the delegation to the COP or any of its related meetings.  |   |   |  |   |   |   |
| <b>INDICATOR 2: Industry CSR activities</b>  |   |   |  |   |   |   |
| 5. A. The government agencies or its officials endorses, supports, forms partnerships with or participates in so-called CSR activities organized by the tobacco industry. (Rec 6.2)  |   |   |  |   |   | 5 |
| B. The government (its agencies and officials) receives contributions (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)   |   |   |  |   |   |   |
| <p>The Solomon Islands Chamber of Commerce and Industry (SICCI) is supportive of an initiative by SITC-BAT to local farmers in communities around the GPPOL area in East Guadalcanal. SICCI Chief Executive Officer, Ms Atenasi Ata lauds SITCO for their willingness to engage with and giving back to communities.<sup>8</sup></p> <p>In 2018, SITC-BAT General Manager Shusendra Singh, launched an intern programme for new graduates hosted by the SICCI. The aim of the internship program is to provide new graduates with valuable on-job-training and experience to kick-start their professional careers. Interns who do well will be given preference for future job opportunities.<sup>9</sup></p> <p>In 2019, SITC-BAT also provided over 7000 seedlings to SASA community in Auruligo through the Ministry of Foreign Affairs and External Trade. In his speech, Trade Commissioner Mr Joseph Ma’ahanua encouraged social partnership and corporate responsibility from businesses such as SITC-BAT. He said that SITC produces a product that has health implications but that informed adults have choice anyway.<sup>10</sup></p> <p>SITC-BAT is a member of the SICCI.</p> |   |   |  |   |   |   |
|   |   |   |                      |   |   |   |
| SITC-BAT CSR to local farmers in GPPOL area East Guadalcanal   |   |   | 2019: SITC-BAT provided 7000 seedlings to SASA community in Auruligo supported by the Trade Commissioner |   |   |   |

<sup>7</sup>Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

<sup>8</sup>Sunday Isles (May 16, 2019).<http://sundayislessolomonislands.com/sicci-and-sitco-engage-with-communities/>

<sup>9</sup>Sunday Isles (May 21, 2018). <https://theislandsun.com.sb/graduates-trained-for-management-level/>

<sup>10</sup>Sunday Isles (08 August 2019). <http://www.mfact.gov.sb/media-center/press-releases/external-trade-news/163-7000-seedlings-provided-for-sasa-community.html>

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| <b>INDICATOR 3: Benefits to the Tobacco Industry</b>   |   |   |   |   |   |   |
| 6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)   |   |   | 2 |   |   |   |
| <p>There were efforts made by the tobacco industry to slow down the implementation of the Tobacco Control Act of 2010 and its subsequent regulations, but they failed. This is evident when Solomon Islands introduced PHW. Their rationale seeking extension to the implementation of PHW was to give them enough time to develop printing templates before running the PHW into their production. This was rejected by TCTAG, which comprised of formidable personalities that refused to give in to their plots and schemes.</p> <p>In 2018, the MHMS, which implements the Tobacco Control Act and also governs the issuance of licenses for both tobacco importers and manufacturers, has retained the importer status of and denied a manufacturing license to Oceanic Oasis for issues of illegal production and sale of tobacco products.<sup>11</sup> The former minister of MCILI used his influence and position as government minister to pressure the former Permanent Secretary of the MHMS to issue Oceanic Oasis an operating license and permit.<sup>12</sup></p> |   |   |   |   |   |   |
| 7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)   |   |   |   | 3 |   |   |
| <p>Director Revenue Customs Unit: There was a tax incentive provision established under the MFT for those who are certified and categorized as manufactures. SITC-BAT benefited a lot from the incentives which include tax incentives and duty exemptions on raw materials, components, machinery and equipment.</p> <p>Cigarettes did not become less affordable over the past years.<sup>13</sup></p> <p>International or transit passengers can import 200 cigarettes or 50 cigars or 250 grams of tobacco into Solomon Islands.</p>   |   |   |   |   |   |   |
| <b>INDICATOR 4: Forms of Unnecessary Interaction</b>   |   |   |   |   |   |   |
| 8. Top level government officials (such as President/ Prime Minister or Minister <sup>14</sup> ) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)   |   |   |   |   | 4 |   |
| <p>According to Director Economic Reform within the MFT, there were meetings held between the general manager of SITC-BAT and the Honorable Minister as well as previous outgoing ministers. In all occasions, records of meeting agenda and discussion were not disclosed to the public.</p>  |   |   |   |   |   |   |

<sup>11</sup> Island Sun (April 26 2018). <https://theislandsun.com.sb/illegal-cigarette/>

<sup>12</sup> <https://theislandsun.com.sb/illegal-cigarette/>

<sup>13</sup> Country Profile (Solomon Islands). [https://www.who.int/tobacco/surveillance/policy/country\\_profile/slb.pdf](https://www.who.int/tobacco/surveillance/policy/country_profile/slb.pdf)

<sup>14</sup>Includes immediate members of the families of the high-level officials

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The new MHMS Honorable Minister and the new incoming Permanent Secretary (PS) when they first came in were frequently visited by tobacco industry representatives. They later begin to distance themselves from the industry after being aware of Article 5.3. SITC-BAT raised the issue of unequal playing field. They noted that other Chinese companies are not complying to the Tobacco Control Act as they have done. The previous PS of MHMS (Dr. Tenneth Dalipada) had close connections with the Director General of Sun Cigarette Company where his brother (Stephen Dalipada) was the operational manager.<sup>15</sup>

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| 9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3) |  |  | 2 |  |  |  |
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SITC-BAT participated in the taskforce that comprised of the MHMS, Customs Department, and Royal Solomon Islands Police Force to destroy roughly about a thousand boxes of imported cigarettes that did not meet the standard labelling requirement of the Tobacco Control Act.

There were some suggestions made by the tobacco industry to the Director Reform Unit, Ministry of Finance Treasury MFT to set up an illicit tobacco smuggling coordinating committee in 2019 but it was rejected.

Photos of SITC representatives with police officer



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| 10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1)<br><i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i> | 0 |  |  |  |  |  |
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No record of such arrangement or deal has been observed or publicized.

**INDICATOR 5: Transparency**

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| 11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2) |  |  | 3 |  |  |  |
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There is no citing nor there is a public disclosure of meetings, interactions, minutes and resolutions held with the tobacco industry, either with MHMS, MFT and MCILI Customs despite obvious ongoing meetings initiated by the industry with government officials.

<sup>15</sup> <https://www.linkedin.com/in/stephen-dalipada-523901147>

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| 12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)   |   |   |   |   |   | 5 |
| To date there are no rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists. A lot of effort needs to be expanded to address this particular area of concern.  |   |   |   |   |   |   |
| <b>INDICATOR 6: Conflict of Interest</b>  |   |   |   |   |   |   |
| 13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)  |   |   |   | 3 |   |   |
| Solomon Islands Political Party Integrity Bill of 2014, Section 57 made provision to cater for disclosure of campaign funds post-election, but it does not cover nor prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns and to seek full disclosure of such contributions from them during or prior to election.<br><br>The industry plays its cards well and would only assert its effort in engaging a political established Executive government only when they realize a political government is being formed <sup>16</sup> . |   |   |   |   |   |   |
| 14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)   | 0 |   |   |   |   |   |
| There is no record of such engagement or deployment.  |   |   |   |   |   |   |
| 15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)  | 0 |   |   |   |   |   |
| There has been no record of current government officials and relatives holding position in tobacco business.  |   |   |   |   |   |   |
| <b>INDICATOR 7: Preventive Measures</b>   |   |   |   |   |   |   |
| 16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)   |   |   |   | 3 |   |   |
| Previous efforts to implement Article 5:3 in 2016 did not gain momentum. From 2018 – 2019, some efforts have been made to ensure that principles and guidelines of WHO FCTC Article 5.3 be inserted into the draft review of the Tobacco Control Act which should be submitted to Attorney General Chamber.   |   |   |   |   |   |   |
| 17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which  |   |   |   |   |   | 5 |

<sup>16</sup> <http://www.parliament.gov.sb/files/legislation>

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| they should comply in their dealings with the tobacco industry. (Rec 4.2)  |   |   |   |   |           |   |
| The government has not formulated, nor adopted or implemented a code of conduct for public officials prescribing the standards in which they should comply or subject their dealings with the tobacco industry.  |   |   |   |   |           |   |
| 18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)   |   |   |   |   |           | 5 |
| The role of the government through the MHMS to demand the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities is restricted to the provision of the current Tobacco Control Act, which only call for report on the constituents of the cigarette products. |   |   |   |   |           |   |
| 19. The government has a program / system/ plan to consistently <sup>17</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)   |   |   | 2 |   |           |   |
| The TCTAG, the technical unit for tobacco control with MHMS has been tasked to sensitize all government line ministries and other stakeholders including Executive Government on WHO FCTC and Article 5.3 however there are no details available publicly on how this is being carried out.  |   |   |   |   |           |   |
| 20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)  |   |   |   | 3 |           |   |
| As it stands the government has not put in place a policy to disallow the acceptance of all forms of contributions or gifts from the tobacco industry. There are standard guidelines that are available to public servants which include a service code of conduct and the general order.  |   |   |   |   |           |   |
| <b>TOTAL</b>   |   |   |   |   | <b>49</b> |   |

<sup>17</sup> For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.